

Consolidated Financial Results

For the 2nd Quarter Ended September 30, 2018

Company name: PACIFIC INDUSTRIAL CO., LTD.

Stock exchange listings: Tokyo and Nagoya Stock Exchanges (First Section)

Stock code number: 7250

URL: <http://www.pacific-ind.co.jp/>

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(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2018 2nd Quarter (From April 1, 2018 to Sep. 30, 2018)

(1) Consolidated Financial Results

	Net Sales		Operating Income		Ordinary Income		Profit attribute to owners of parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2018 2nd quarter	64,285	13.7	4,039	5.0	5,169	8.9	3,898	14.5
FY2017 2nd quarter	56,528	13.6	3,846	Δ 5.2	4,744	17.6	3,405	10.1

Note: Comprehensive income

FY2018 2nd quarter: 5,250 million yen(11.6%), FY2017 2nd quarter: 4,706 million yen(—%)

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
FY2018 2nd quarter	64.68	64.30
FY2017 2nd quarter	57.15	56.18

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net assets excluding subscription rights to shares and Non-controlling interests as a percentage of total assets
	Million Yen	Million Yen	%
FY2018 2nd quarter	195,752	96,443	48.7
FY2017	158,858	91,913	57.2

Note: Shareholders' equity:

FY2018 2nd quarter : 95,275 million yen FY2017: 90,940 million yen

2. Cash Dividends

	Annual Cash Dividends Per Share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	FY Total
	Yen	Yen	Yen	Yen	Yen
FY2017	—	14.00	—	14.00	28.00
FY2018	—	14.00	—	—	—
FY2018(Forecast)	—	—	—	14.00	28.00

Note: Revisions to the forecasts announced most recently: None

3. Forecasts of Consolidated Financial Results for FY 2018(April 1, 2018 through March 31, 2019)

(%:changes from the same period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit attribute to owners of parent		Earning Per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
FY2018	135,000	14.6	9,000	11.6	10,500	10.7	7,600	2.8	126.07

Note: Revisions to the forecasts announced most recently: Yes

4. Notes

(1) Changes in major subsidiaries during the current quarter: Yes

(changes in specified subsidiaries that caused a change in the scope of consolidation)

Newly included: 2 company (company name) PACIFIC AUTO PARTS (THAILAND)CO.,LTD.

AUGUST FRANCE HOLDING COMPANY SAS

Newly excluded: — (company name)

(2) Application of special accounting methods for the preparation of

quarterly consolidated financial statements : None

(3) Changes in accounting policies, accounting estimates and restatement

① Changes in accounting policies with revision of accounting standards : None

② Changes other than ① : None

③ Changes in accounting estimates : None

④ Restatement : None

(4) Number of shares issued and outstanding (common stock)

①Number of shares outstanding at end of period(including treasury stock)	FY2018 2nd quarter	61,289,533 shares	FY 2017	61,268,395 shares
②Number of shares of treasury stock at end of period	FY2018 2nd quarter	1,001,336 shares	FY 2017	1,001,061 shares
③Average number of common stock (quarterly total)	FY2018 2nd quarter	60,276,116 shares	FY2017 2nd quarter	59,588,049 shares

* Note on status of quarterly review procedures

This summary of quarterly financial results is not subject to quarterly review procedures under the Financial Instruments and Exchange Act. As of the time of disclosure of this summary of quarterly financial results, however, the review procedures for quarterly consolidated financial statements under the Financial Instruments and Exchange Act have not been completed.

* Explanation about appropriate use of the financial results forecasts, and other noteworthy matters

Statements related to the future, including the forecasts of financial results, described in this document are based on information currently available to Pacific industrial and on certain assumptions deemed by Pacific industrial to be rational.

Consolidated Balance Sheets

(Mmillion Yen)

	FY2017 (As of Mar.31, 2018)	FY2018 (As of Sep.30, 2018)		FY2017 (As of Mar.31, 2018)	FY2018 (As of Sep.30, 2018)
(Assets)			(Liabilities)		
Current Assets	43,887	58,683	Current Liabilities	37,534	62,303
Cash and time deposits	14,081	20,544	Trade notes and accounts payable	7,951	9,296
Trade notes and accounts receivable	17,592	19,873	Electronically recorded obligations - operating	7,655	8,478
Inventories	9,535	14,823	Short-term borrowings	4,021	24,193
Other accounts receivable	2,483	3,161	Current portion of long-term borrowings	4,582	5,497
Other current assets	235	379	Other accounts payable	4,661	4,867
Less: Allowance for doubtful accounts	(41)	(98)	Accrued expenses	1,122	2,464
			Income taxes payable	991	1,180
Fixed Assets	114,970	137,069	Consumption taxes payable	231	67
Property, Plant and Equipment	76,315	87,725	Deposit received	330	259
Buildings and structures	19,943	21,478	Allowance for bonuses	1,460	1,523
Machinery and vehicles	27,724	32,317	Allowance for bonuses to directors	48	24
Tools, Furniture, and fixtures	5,763	6,550	Notes concerning installations	122	117
Land	5,886	6,710	Other current liabilities	4,353	4,331
Lease Asset	377	407	Noncurrent Liabilities	29,410	37,005
Construction in progress	16,620	20,260	Long-term borrowings	21,804	28,144
Intangible Fixed Assets	936	14,945	Deferred tax liabilities	6,397	6,471
Goodwill	-	14,056	Provision for directors retirement benefit	206	193
Other	936	888	Net defined benefit liabilities	303	751
Investments and Other Assets	37,718	34,398	Other noncurrent liabilities	697	1,444
Investments in securities	28,659	28,558	Total Liabilities	66,945	99,309
Long-term loans	3,464	14	(Net assets)		
Deferred tax assets	280	442	Shareholders' Equity	75,958	78,971
Net defined benefit asset	4,343	4,512	Capital stock	7,296	7,306
Other fixed assets	975	874	Capital surplus	7,606	7,615
Less: Allowance for doubtful accounts	(3)	(3)	Retained earnings	61,340	64,334
			Less: Treasury stock at cost	(284)	(285)
			Valuation and Translation Adjustment	14,981	16,304
			Valuation difference on available securities	12,768	13,042
			Foreign currency translation adjustments	1,627	2,669
			Remeasurement of defined benefit plan	585	592
			Subscription rights to shares	232	274
			Minority Interests	740	893
			Total Net Assets	91,913	96,443
Total Assets	158,858	195,752	Total Liabilities and Net Assets	158,858	195,752

Consolidated Statements of Income

(Million Yen)

	FY2017 For the Year Ended Sep.30, 2017	FY2018 For the Year Ended Sep.30, 2018
Net Sales	56,528	64,285
Cost of Sales	48,466	55,083
Gross Profit	8,061	9,201
Selling, General and Administrative Expenses	4,215	5,162
Operating Income	3,846	4,039
Non-Operating Income	1,031	1,371
Interest income	55	35
Dividend income	373	333
Equity in earnings of affiliated companies	317	377
Foreign exchange gain	151	480
Other Non-operating income	133	145
Non-Operating Expenses	132	241
Interest expense	108	122
Commission fee	-	61
Other Non-operating expense	24	57
Ordinary Income	4,744	5,169
Extraordinary Income	-	128
Gains on sale of fixed assets	-	128
Extraordinary Losses	61	30
Losses on sales and retirements of fixed assets	61	30
Income Before Income Taxes and Minority Interests	4,683	5,267
Income Taxes	1,265	1,351
Income before minority interests	3,417	3,915
Minority Interests in Income (Loss)	11	16
Net Income	3,405	3,898